

**BILL #** HB 2234

**TITLE:** one-time trailer registration; VLT

**SPONSOR:** Weiers, J.P.

**STATUS:** Amended by House TI

**PREPARED BY:** Juan Beltran

## FISCAL ANALYSIS

### Description

The bill raises the weight limit for noncommercial trailers or semitrailers from 6,000 pounds to 10,000 pounds gross vehicle weight (GVW) for registration, transfer fee, and vehicle license tax purposes.

### Estimated Impact

The fiscal impact to the Highway User Revenue Fund (HURF) cannot be determined with certainty. The bill may result in a small short-term increase in revenues and a small long-term decrease in revenues.

The Arizona Department of Transportation does not have an estimate of the bill's fiscal impact.

### Analysis

Under current law, commercial trailers or semitrailers that are 10,000 pounds or less GVW are required to pay an \$8 registration fee. They are also subject to an annual \$4 commercial fee and an annual GVW fee of \$7.50 for trailers or semitrailers 8,000 pounds or less GVW and \$36 for trailers or semitrailers between 8,000 and 10,000 pounds GVW. Noncommercial trailers or semitrailers under 6,000 pounds GVW currently pay a one-time initial registration fee of \$20, a one-time renewal of registration fee of \$5, and a transfer of registration fee of \$12. Noncommercial trailers are also subject to a one-time vehicle license tax of \$105 and a one-time renewal vehicle license tax of \$70. The bill would raise the weight limit for these noncommercial fees from 6,000 to 10,000 GVW. These fees are deposited into the HURF.

The Motor Vehicle Division (MVD) indicates that currently all trailers or semitrailers over 6,000 pounds GVW are classified commercial. The bill will cause, therefore, some of the existing commercial trailers or semitrailers between 6,000 and 10,000 pounds GVW to be reclassified as noncommercial. These reclassified vehicles would now be subject to the higher set of existing noncommercial trailer or semitrailer registration fees, but would also no longer be required to pay annual GVW fees.

The bill's impact cannot be estimated with certainty because MVD does not know how many currently registered trailers or semitrailers between 6,000 and 10,000 pounds GVW would be classified as noncommercial. According to MVD, in FY 2008 there were 9,122 commercial trailers or semitrailers between 8,001 and 10,000 pounds GVW and 25,627 trailers or semitrailers 8,000 pounds or less GVW. For each vehicle that is reclassified, short-term HURF revenues would increase and long-term HURF revenues would decrease.

### Local Government Impact

The State Highway Fund (SHF) receives a portion of HURF. To the extent this bill changes HURF collections, SHF collections will also be affected. The impact on cities, towns, and counties receiving SHF monies cannot be determined with certainty.